# Message Text

CONFIDENTIAL

PAGE 01 BUENOS 06081 01 OF 04 180810Z

21

**ACTION ARA-10** 

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 DHA-02 /071 W

R 171305Z SEP 76

FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC 7142 INFO AMEMBASSY SAN JOSE

CONFIDENTIAL SECTION 1 OF 4 BUENOS AIRES 6081

SAN JOSE FOR ARA LABOR ADVISOR JOHN O'GRADY

E.O. 11652: GDS

TAGS: ELAB, PINT, AR

SUBJECT: GOA AND TRADE UNION REORGANIZATION

REF: (A) BUENOS AIRES 3567, (B) BUENOS AIRES 3337, (C) BUENOS AIRES 3061, (D) BUENOS AIRES 2951, (C) BUENOS AIRES 2832

1. SUMMARY AND INTRODUCTION. THIS REPORT IS INTENDED TO SUMMAR-IZE MAJOR TRADE UNION DEVELOPMENTS OVER THE PAST FEW MONTHS AND THE FACTORS AFFECTING THE PROSPECTS FOR REORGANIZATION AND NORMAL-IZATION OF THE LABOR MOVEMENT. TRADE UNION ACTIVITIES REMAIN BASICALLY PARALYZED EVEN THOUGH MOST UNIONS HAVE NOT BEEN INTER-VENED. THE RIGHT TO STRIKE AND COLLECTIVE BARGAINING HAVE BEEN SUSPENDED UNDER EMERGENCY DECREES IN FORCE. THE GOVT SURVIVED THE ILO CONFERENCE IN JUNE WITH HARDLY A SCRATCH, THE LABOR MOVEMENT HAVING FAILED TO USE IT EFFECTIVELY TO OBTAIN A HARD COMMITMENT REGARDING EVENTUAL RESTORATION OF TRADE UNION LIBERTIES. A NEW INITIATIVE IS UNDER WAY TO FORCE THE GOVT TO ACCELERATE THIS PROCESS BY PLANNING A GENERAL PLENARY MEETING OF ALL THE UNION LEADERS IN THE COUNTRY TO DISCUSS THE SERIOUS ECONOMIC AND SOCIAL ISSUES AFFECTING THE WORKING CLASS. THE GOVT HAS NOT YET SAID WHETHER IT WILL PERMIT THIS MEETING TO TAKE PLACE. A SIMILAR ATTEMPT WAS VETOED IN JULY. THE UNION LEADERS BELIEVE CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUENOS 06081 01 OF 04 180810Z

THE RECENT OSTENSIBLY SPONTANEOUS STRIKE IN THE AUTHO INDUSTRY--

THE FIRST SIGNIFICANT LABOR TROUBLE SINCE THE MARCH HOLPE-- WILL HELP PERSUADE THE GOVT THAT IT NEEDS THE PERONIST AND NOE-PERONSIT LABOR LEADERSHIP TO KEEP THE WORKERS IN LINE. THE LABOR LEADERS APPEAR CONFIDENT THAT THE MODERATE FIGURES OF THE VIDELA ADMINISTRATION SEE THINGS THEIR WAY, BUT THEY RECOGNIZE THAT THE REGIME IS SUBJECT TO COUNTERVAILING PRESSURES FROM HARDLINE ELEMENTS IN THE ARMED FORCES WHO KEEP THROWING OBSTACLES IN THE PATH OF TRADE UNION NORMALIZATION. NEVERTHELESS, SOME LEADERS ARE OPTIMISTIC THAT A TRADE UNTION ORGANIZATION REFORM BILL WILL BE PASSED BEFORE THE END OF THIS YEAR AND THAT THE CGT WILL BE RECONSTITUTED BEFORE NEXT JUNE. END SUMMARY.

2. LABOR ACTIVITIES CONTINUE ESSENTIALLY PARALYZED. TRADE UNION ACTIVITIES IN ARGENTINA REMAIN ESSENTIALLY PARALYZED, WITH NEGLIGIBLE PROGRESS HAVING BEEN MADE TOWARD LIBERALIZATION OF THE CONTROLS IMPOSED ON THE LABOR MOVEMENT SINCE THE COUP OF MARCH 24, 1976. CGT HEADQUARTERS AND CLOSE TO 30 AFFILIATED NATIONAL FEDERATIONS, UNIONS AND ASSOCIATIONS (OUT OF A TOTAL OF ABOUT 124) ARE STILL INTERVENED BY MILITARY AUTHORITIES INCLUDING THOSE OF THE METALWORKERS (UOM), AUTOWORKERS (SMATA). TEXTILE WORKERS (AOT), CONSTRUCTION WORKERS, LIGHT AND POWER WORKERS, PORT WORKERS, PETROLEUM WORKERS, RAILROAD WORKERS (UF), BANK WORKERS, STATE TEACHERS (UDA), MUNICIPAL WORKERS AND MEAT WORKERS. WHILE A MAJORITY OF THE UNTION ORGANIZA-TIONS AFFILIATED WITH THE CGT HAVE NOT BEEN INTERVENED AND ARE FUNCTIONING TO SOME DEGREE. THE INTERVENED UNIONS ARE THE LARGEST IN TERMS OF MEMBERSHIP AND ARE TRADITIONALLY THE MOST POWERFUL. MOREOVER, THE ARGENTINE LABOR MOVEMENT AS A WHOLE IS DEPRIVED OF AN EFFECTIVE VOICE AT THE NATIONAL LEVEL BY VIRTUE OF THE CONTINUED INTERVENTION OF THE CGT. CGT SECRETARY GENERAL CASILDO HERRERAS IS IN EXILE ABROAD AND A DOEZN OR MORE TOP LABOR LEADERS REMAIN IN JAIL, EITHER AT DEVOTO OR CASEROS PRISONS (BUENOS AIRES) OR THE ARMY STOCKADE IN MADGALENA (HAVING BEEN TRANSFERRED FROM THEIR MORE CONFORTABLE BERTHS ABOARD PRISON SHIPS), AWAITING THE COMPILATION OF SUFFICIENT EVIDENCE SO THAT FORMAL CHARGES MAY BE LODGED AGAINST THEM. CGT HEADQUARTERS IS ADMINISTERED BY A CHIEF INTERVENTOR, AIR FORCE COMODORO JULIO CESAR PORCILLE, WHO IS THE THIRD SUCH APPOINTEE SINCE THE COUP-THE FIRST (ARMY COLONEL EMILIO FABRIZZI) HAVING BEEN SACKED WHEN HIS SUPERIORS THOUGHT CONFIDENTIAL.

## CONFIDENTIAL

PAGE 03 BUENOS 06081 01 OF 04 180810Z

HE WAS BECOMING OVERLY PERMISSIVE WITH HIS LABOR WARDS AND THE SECOND (ARMY COLONEL JUAN ALBERTO PITA) HAVING BEEN KIDNAPPED MYSTERIOUSLY BY UNIDENTIFIED INDIVIDUALS. PITA'S FATE HAS NEVER BEEN CLARIFIED.

BASIC TRADE UNION LIBERTIES SUCH AS COLLECTIVE BARGAINING AND THE RIGHT TO STRIKE REMAIN SUSPENDED UNDER EMERGENCY MEASURES IN FORCE, AS WELL AS THE TRADITIONAL IMMUNITY FROM CRIMINAL

PROSECUTION ("FORO SINDICAL"). UNIONS NOT UNDER INTER-VENTION MAY PETITION ON BEHALF OF INDIVIDUAL MEMBERS, BUT COLLECTIVE ACTIONS ARE NOT ALLOWED. THE NONINTERVENED UNIONS MAY HOLD MEETINGS FOR RESTRICTED PURPOSES, PROVIDED THEY HAVE BEEN APPROVED IN ADVANCE BY THE AUTHORITIES. HOWEVER, THEY MAY NOT ELECT NEW UNION OFFICERS.

3. ILO INTERLUDE ENDS WITH DECREE LAW 21356. THE ADVENT OF THE 61ST ANNUAL ILO CONFERENCE IN GENEVA IN JUNE PROVIDED THE LABOR MOVEMENT WITH AN OPPORTUNITY TO TEST THE PARAMETERS OF PERMISSIBLE ACTIVITY AND PERHAPS TO EXTRACT CONCESSIONS FROM THE GOVERNMENT, BUT THE REGIME HELD BETTER CARDS AND OUTMANEUVERED THE LABOR LEADERS. THE INTERLUDE CAME TO NAUGHT IN THE END.

THE ENDEAVOR STARTED AUSPICIOUSLY ENOUGH. FROM THE GOVERNMENT'S VIEWPOINT, IT WAS DESIRABLE TO HAVE A DELEGATION OF WORKER REPRESENTATIVES AT GENEVA WHO WOULD BE COOPERATIVE BUT WHOSE TRADE UNION CREDENTIALS WOULD BE INCONTESTABLE. THE PRESENCE OF SUCH A DELEGATION WOULD DEMONSTRATE THAT THERE WAS STILL A LABOR MOVEMENT LEFT IN ARGENTINA WITH LINES OF COMMUNICATION OPEN TO A GOVERNMENT WHICH WAS UNDERTAKING IN GOOD FAITH TO NORMALIZE THE UNION SITUATION EVENTUALLY. THE DELEGATES WOULD BE EVEN MORE USEFUL IF THEY COULD BE ENLISTED TO DISSUADE THEIR TRADE UNION FRIENDS ABROAD FROM RAISING THE ARGENTINE ISSUE AT THE CONFERENCE.

THE SECRETARIES GENERAL OF ALL THE NONINTERVENED UNIONS WERE INVITED TO CGT HEADQUARTERS, SUBDIVIDED ARTIFICIALLY INTO SIX WORK GROUPS, EACH ASKED TO SUBMIT A LIST OF CANDIDATES.

FROM THE 18 NAMES THUS PROPOSED, THE LABOR MINISTER SELECTED A DELEGATION OF EIGHT WORKER REPRESENTATIVES. SOME CONFIDENTIAL

## CONFIDENTIAL

PAGE 04 BUENOS 06081 01 OF 04 180810Z

ATTEMPT WAS MADE BY THE UNION LEADERS BO OBTAIN A QUID PRO QUO FOR AGREEING TO GO TO GENEVA, E.G. GOVERNMENT COMMITMENTS: TO PUBLISH A LIST OF THE TRADE UNION LEADERS HELD PRISONER AND THE CHARGES AGAINST THEM, AND TO TURN OVER THESE CASES TO THE NORMAL JUDICIAL PROCESS; FAILING THAT, TO RELEASE THE LEADERS IN QUESTION; TO PROVIDE A SCENARIO AND TIMETABLE FOR LIFTING THE INTERVENTION AND NORMALIZING RADE UNION ACTIVITIES; AND TO RESTORE THE RIGHT TO STRIKE, THE PRINCIPAL WEAPON IN LABOR'S ARSENAL. HOWEVER, THERE WAS A LACK OF AGREEMENT OVER HOW FAR THEY SHOULD PRESS THESE ISSUES, THERE BEING AN ACUTE FEAR OF FURTHER INTERVENTIONS. IN THE END, THE DELEGATES DEPARTED FOR GENEVA WITHOUT ANY HARD COMMITMENTS FROM THE GOVT, ALTHOUGH THEY THOUGHT THEY HAD PERCEIVED FROM THEIR MEETINGS WITH THE MINISTER, AT LEAST, AN INTENT ON HIS PART TO NORMALIZE THE UNION SITUATION WITHIN 60 DAYS AFTER THE END OF THE CONFERENCE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BUENOS 06081 02 OF 04 180813Z

21

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 DHA-02 /071 W

----- 077560

R 171605Z SEP 76 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC 7143 INFO AMEMBASSY SAN JOSE

CONFIDENTIAL SECTION 2 OF 4 BUENOS AIRES 6081

AT GENEVA, THE WORKERS DELEGATION EVIDENTLY FULFILLED ITS PART OF THE BARGAIN, CHIEF WORKER DELEGATE, POSTAL AND TELECOMMUNI-CATIONS (FOECYT) SECRETARY GENERAL ANTONIO BALDASSINI, ADOPTED A MODERATE LICE IN HIS ADDRESS AND THE DELEGATES EVIDENTLY ASKED THE ICFTU AND OTHER INTERNATIONAL TRADE UNION ORGANIZA-TION PARTICIPANTS TO TAKE IT EASY ON ARGENTINA. ACCORDING TO OUR INFORMATION, THE ARGENTINE QUESTION WAS NOT OFFICIALLY DISCUSSED AT THE CONFERENCE. (A SHORT INTERVAL HAVING PASSED BETWEEN THE MARCH GOLPE AND THE JUNE CONFERENCE, THE DENUNCIA-TIONS RECEIVED BY THE ILO STAFF CONCERNING TRADE UNION DETEN-TIONS AND THE OTHER POINTS WERE--AND ARE--STILL IN THE PRO-CEDURAL STAGE OF CONFIDENTIAL CONSULTATION BETWEEN THE ILO JURIDICAL DEPARTMENT AND THE GOA.) WHILE ALL THIS GOOD WILL WAS BEING DEMONSTRATED IN GENERVA, IT SHOULD BE ADDED, THE JUNTA BACK HOME ISSUED A LAW STRIPPING LORENZO MIGUEL (METAL WORKERS AND 62 ORGANIZATIONS LEADER) AND CGT LEADER CASILDO HERRERAS OF THEIR POLITICAL AND CIVIL RIGHTS, ALONG WITH DEPOSED PRESIDENT ISABEL PERON AND 33 OTHERS.

SHORTLY AFTER THEIR RETURN TO ARGENTINA, PRESIDENT VIDELA (ON JULY 5) RECEIVED THE WORKER AS WELL AS THE GOVERNMENT AND ENTREPRENEURIAL DELEGATIONS TO HEAR THEIR REPORT OF THE ILO PROCEEDINGS--THE FIRST SUCH REPORTED ENCOUNTER BETWEEN UNION LEADERS AND THE PRESIDENT SINCE THE GOLPE. THE CGT INTERVENTOR ALSO CONVOKED A MEETING OF THE SIX WORKING COMMISSIONS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUENOS 06081 02 OF 04 180813Z

INTO WHICH UNION LEADERS HAD BEEN DIVIDED EARLIER TO RECEIVE A BRIEFING FROM THE RETURNING WORKERS' DELEGATION. IN A SEPARATE MOVE, THERE THEN FOLLOWED A SERIES OF MEETINGS INITIATED BY REPRESENTATIVES OF THE INTERVENED UNIONS WHICH RESULTED IN A DECISION TO FORM A JOINT "COMMITTEE OF TEN" (FOUR SECRETARIES GENERAL REPRESENTING THE 29 INTERVENED UNIONS AND SIX REPRESENTING THE 18 NONINTERVENED UNIONS FROM WHOSE RANKS THE DELEGATES TO THE ILO CONFERENCE HAD BEEN SELECTED EARLIER. THE PARTICIPATING CONSTITUENTS AGREED THAT THE NEW COMMITTEE, ALTHOUGH ENJOYING NO OFFICIAL STANDING WITH THE GOVT, SHOULD UNDERTAKE THE TASK OF ORGANIZING A GENERAL PLENARY OF ALL THE UNIONS FOR A BROAD DISCUSSION OF THE ISSUES FACING THE WORKING CLASS, I.E. THE ECONOMIC CRISIS AS WELL AS THE TRADE UNION PROBLEM.

IT WAS AT THIS POINT THE THE GOVT REACTED BY ISSUING LAW NO. 21356 ON JULY 22. ALTHOUGH CLOSER INSPECTIONOF THIS LAW WOULD SHOW THAT IT ACTUALLY SUGGESTED CERTAIN EXCEPTIONAL CONDITIONS UNDER WHICH THE LABOR MINISTRY COULD AUTHORIZE UNION ASSEMBLIES, EMPHASIS WAS GIVEN AT THE TIME TO ITS REAFFIRMATION OF THE PROHIBITION AGAINST "ALL ACTS ELECTIVE IN CHARACTER" AS WELL AS THE GENERAL SUSPENSION OF UNIO (AND EMPLOYER ASSOCIATION) ASSEMBLIES AND CONGRESSES ALREADY IN FORCE. THE LAWNS INTERPRETED WIDELY AS A GOVT VETO, AT LEAST FOR THE MOMENT, OF THE PRUPOSES FOR WHICH THE "COMMITTEE OF TEN" HAD BEEN ELECTED: THAT IS, THE ORGANIZATION OF A GENERAL PLENARY OF UNION SECRETARIES GENERAL.

4. NEW ACCRETIONS FORWARD SINCE JULY. A NEW PHASE BEGAN IN EARLY AUGUST WHEN THE LABOR MINISTRY PUBLICIZED THE FACT THAT IT HAD INITIATED A SERIES OF CONSULTATIONS WITH FORMER LABOR MINISTERS, OTHER EX-LABOR MINISTRY OFFICIALS, LABOR JUDGES, LABOR LAW EXPERTS AND MANAGEMENT REPRESENTATIVES WITH A VIEW TOWARD PREPARTING A MAJOR REFORM OF THE BASIC TRADE UNION STATUTE (LEY DE ASOCIACIONES PROFESIONALES). AT THE SAME TIME, THE CGT INTERVENTORS STARTED A SERIES OF CONTACTS WITH REGIONAL CGT BODIES IN BUENOS AIRES PROVINCE AND OTHER PARTS OF THE COUNTRY WHICH HAVE NOT BEEN INTERVENED. HOWEVER, THE PURPOSE OF THESE CONVERSATIONS EVIDENTLY WAS TO DISCUSS THE ADMINISTRATIVE AND ECONOMIC PROBLEMS OF THESE ORGANIZATIONS AND THEIR MEMBERS—AND NOT TO ANLYZE THE PROPOSED TRADE UNION REFORM BILL. IT WAS REPORTED THAT EVENTUALLY THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUENOS 06081 02 OF 04 180813Z

LABOR MINISTRY WOULD CALL IN TRADE UNION LEADERS TO DISCUSS

THE REFORM, BUT THIS HAS NOT YET OCCURRED, AT LEAST NOT IN ANY FORMAL WAY. MANY LABOR LEADERS BELIEVE THEY WILL NOT BE CONSULTED UNTIL THE INK HAS DRIED ON THE NEW LAW.

AS THIS REPORT IS BEING DRAFTED, A NEW INITIATIVE ON THE PART OF UNION LEADERS IS UNDER WAY TO PICK UP WHERE THEY LEFT OFF IN JULY. WHETHER THIS ATTEMPT WILL BE ANY MORE SUCCESSFUL THAN THE LAST TIME REMAINS TO BE SEEN. THERE ALSO HAVE BEEN FURTHER PRONOUNCEMENTS FROM THE LABOR MINISTRY SUGGESTING AN ACCELERATION IN THE PACE OF EVENTS, ALTHOUGH THE GOVERNMENT'S INTENT AT THIS POINT REMAINS UNCLEAR. THE MORE RECENT SIGNIFICANT EVENTS INCLUDE THE FOLLOWING:

-- ON AUG 26 A REPORT APPEARED IN THE PRESS--PURPORTEDLY LEAKED FROM A LABOR MINISTRY SOURCE. THAT UNDER STRICT GROUND RULES YET TO BE ESTABLISHED, THE GOVERNMENT WOULD PERMIT THE ELECTION OF SHOP STEWARDS IN CERTAIN UNIONS BEFORE NOVEMBER 1976. THE SIGNIFICANCE OF THE NOVEMBER DATE, IT WAS ALLEGED, WAS THAT THESE ELECTIONS WOULD TAKE PLACE BEFORE THE ANNUAL MEETING OF THE ILO GOVERNING BODY SCHEDULED THAT MONTH, SO AS TO PERMIT THE GOA TO CONTEND THAT IT HAD TAKEN THE FIRST CONCRETE STEPS TO RESTORING TRADE UNION LIBERTIES IN ARGENTINA. (NOTE: ILO REGIONAL OFFICE SOURCES QUESTION WHETHER THE ARGENTINE PROBLEM WILL HAVE MATURED SUFFICIENTLY TO BE RAISED AT THE GOVERNING BODY MEETING. THEY DOUBT IT WILL BE ON THE FRONT BURNER WHEN COMPARED TO, SAY, URUGUAY OR CHILE.) ACCORDING TO THE AUG 26 NEWS ITEM, GENERAL TRADE UNION ELECTIONS WOULD BE SCHEDULED SOMETIME IN 1977 AFTER THE TRADE UNION REFORM ACT HAD BEEN ISSUED. THE LABOR MINISTRY IMMEDIATELY DENIED THE STORY. CURIOUSLY, HOWEVER, LABOR UNDERSECRETARY CAPTAIN (NAVY) ROBERTO DALL'ASTA. TOLD LABATT ON THE SAME DAY THAT. IF HE WERE IN CHARGE, HE WOULD PROCEED ON AN EXPERIMENTAL PILOT PROJECT BASES TO NORMALIZE ACTIVITIES IN ONE OR TWO UNIONS BEFORE ISSUING A NEW TRADE UNION DECREE. THE UNDERSECRETAY'S "PURELY PERSONAL" IDEA SOUNDED STRANGELY LIKE THE PROPOSAL WHICH THE MINISTRY OFFICIALLY HAD SHOT DOWN.

ALSO ON AUG 26, LEADERS OF THE NONINTERVENED UNIONS ASSIGNED TO "GROUP NO. 1" IN THE CGT MET AT CGT HEADQUARTERS, APPARENTLY WITHOUT ANY MILITARY IN ATTENDANCE, AND ELECTED THREE ELEGATES CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BUENOS 06081 02 OF 04 180813Z

TO REPRESENT THE GROUP WITH THE INTERVENTORS, AS WELL AS TWO MORE DELEGATES TO COORDINATE WITH THE OTHER GROUPS A NEW ATTEMPT TO CONVOKE A GENERAL PLENARY OF ALL THE UNIONS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BUENOS 06081 03 OF 04 180845Z

12

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 DHA-02 /071 W ----- 077912

R 171305Z SEP 76 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC 7144 INFO AMEMBASSY SAN JOSE

CONFIDENTIAL SECTION 3 OF 4 BUENOS AIRES 6081

ON AUG 31 LEADERS OF BOTH INTERVENED AND NONINTERVENED UNIONS REPORTEDLY MET AND AUTHORIZED THE "COMMITTEE OF TEN" TO MAKE A NEW TRY AT SCHEDULING A GENERAL PLENARY. WE UNDERSTAND THE PLAN IS TO HOLD SUCH A GATHERING AT A RESORT HOTEL, SEPT 22 TO 25, ALTHOUGH FURTHER POSTPONEMENTS ARE LIKELY. ACCORDING TO PRESS ACCOUNTS, THE COMMITTEE ALSO HAS BEEN COMMISSIONED TO ORGANIZE A "GRAN CABILDO" IN CONJUNCTION WITH OTHER REPRESENTATIVE ELEMENTS OF THE SOCIETY, SUCH AS THE ARMED FORCES, THE PRIVATE SECTOR, POLITICAL PARTIES AND THE CHURCH, ETC., IN AN ENDEAVOR TO OBTAIN A NEW CONSENSUS CONCERNING NATIONAL GOALS.

ON AUG 13 THE LABOR MINISTRY ISSUED RESOLUTION NO. 540
ESTABLISHING THE NORMS AND PROCEDURES UNDER WHICH IT WOULD
AUTHORIZE UNION ASSEMBLIES AND CONGRESSES, AS PROVIDED BY
LAWY 21356. NOTWITHSTANDING THE GENERALLY NEGATIVE CHARACTER
OF LAW NO. 21356, IT CONTAINED A CLAUSE CONFERRING UPON THE
LABOR MINISTER, "IN ORDER TO ASSURE THE CONTINUITY OF INSTITUTIONAL LIFE" OF THE TRADE UNION ORGANIZATIONS, THE AUTHORITY TO APPROVE
UNION REQUESTS FOR THE HOLDING OF ASSEMBLIES OR CONGRESSES FOR
THE SOLE PURPOSE OF DEALING WITH "MATTERS OF INTERNAL ADMINISTRATION OR SOCIAL PROJECTS." HAVING OBTAINED THE PRIOR
APPROVAL OF THE LABOR MINISTRY IN ACCORDANCE WITH THE SAID LAW
AND REGULATION, THE FEDERATION OF FOOD INDUSTRY WORKERS HELD ITS
10TH NATIONAL CONGRESS ON SEPT 2-3 IN THE PRESENCE OF AN OFFICIAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUENOS 06081 03 OF 04 180845Z

OBSERVER FROM THE MINISTRY. WHILE KEEPING OFFICIALLY TO THE LIMITS ESTABLISHED BY THE LAW--APPROVING THE ANNUAL REPORT AND BUDGET--THE FOOD WORKERS CONGRESS WAS THE FIRST NATIONAL UNION CONGRESS TO BE HELD SINCE THE ADVENT OF THE NEW GOVERN-MENT. MOREOVER, AS TO BE EXPECTED, TOTAL CONTROL OVER THE AGENDA WAS NOT EXERCISED AND THE WORKERS REPORTEDLY VOICED THEIR ENDORSEMENT OF THE CALL FOR A GENERAL PLENARY. THE MILLERS AND GLASS EMPLOYEES REPORTEDLY HAVE ALSO HELD THEIR ANNUAL CONGRESSES RECENTLY. THE POSTAL UNION (FOECYT) HAS REQUESTED PERMISSION TO HOLD ITS NATIONAL CONGRESS FROM SEPT 22-26, AT POSADAS, MISIONES PROVINCE (WHICH SOUNDS SUSPICIOUSLY CLOSE TO THE DATES PROPOSED FOR THE GENERAL PLENARY). OTHER UNIONS ARE EXPECTED TO FOLLOW SUIT AND FILE SIMILAR REQUESTS. FOECYT LEADER BALDASSINI BELIEVES THIS NEW DEVELOPMENT IS A SIGNIFICANT STEP FORWARD IN THE PROCESS OF NORMALIZATION.

5. THE GAP BETWEEN LEADERS AND WORKERS. DESPITE A DRASTIC LOSS IN WORKERS' PURCHASING POWER (ESTIMATED NOW TO BE LESS THAN 50 PERCENT OF WHAT IT WAS AT THE BEGINNING OF 1976 NOTWITHSTANDING THE RECENT OFFICIAL 12 PERCENT WAGE INCREASE), SIGNIFICANT LAYOFFS IN THE PRIVATE AND PUBLIC SECTORS. THE UNILATERAL SUSPENSION OF "PREJUDICIAL" PORTIONS OF PREVIOUSLY REACHED COLLECTIVE BARGAINING AGREEMENTS IN THE STATE ENTERPRISES, AND THE ESSENTIAL LACK OF REDRESS AVAILABLE TO WORKERS UNDER THE EMERGENCY MEASURES ADOPTED BY THE CURRENT GOVT, THERE HAS BEEN SURPRISINGLY LITTLE TROUBLE IN THE FACTORIES AND OTHER WORK PLACES. AN UNDETERMINED NUMBER OF SHOP STEWARDS, LOCAL UNION OFFICIALS AND OTHER WORKER ACTIVISTS SUSPECTED OF CONNECTIONS WITH THE ERP OR MONTONEROS HAVE BEEN DISMISSED FROM THEIR JOBS, LIQUIDATED AND/OR ARE UNDER DETENTION BY THE AUTHORITIES. THOSE THAT REMAIN IN THE PLANTS PRESUMABLY HAVE BEEN LYING LOW--AT LEAST UNTIL RECENTLY. WORKERS HAVE BEEN DESCRIBED AS BEING IN A STATE OF SHOCK SINCE MARCH OVER THE ECONOMIC AND POLITICAL FAILURE AND ALL-PERMEATING CORRUPTION OF THE PERONIST REGIME AND AS HAVING BEEN NUMBED (OR FRIGHTENED) INTO ACCEPTING THE GOVT'S CALL FOR PATRIOTIC SELF-SACRIFICE. OF COURSE, THERE ARE NOW SIGNS THAT THIS STATE OF RELATIVE LABOR QUIESCENCE MAY BE ENDING, THE CRYSTALLIZING ISSUE BEING GENERAL WORKER DISSATISFACTION OVER THE LATEST LEGAL PAY INCREASE.

LEFTIST ACTIVITS ARE BELIEVED TO HAVE PLAYED A COLLATERAL CONFIDENTIAL

## CONFIDENTIAL

PAGE 03 BUENOS 06081 03 OF 04 180845Z

IF NOT LEADING ROLE IN THE RECENT WILDCAT STRIKES IN BUENOS AIRES AUTO INDUSTRY. UNION SOURCES HAVE REPORTED SEEING MONTONERO PAMPHLETS CALLING FOR A SHIFT FROM GUERRILLA ACTIVITY, IN THE FACE OF THE ARMY'S INCREASEING SUCCESS ON THE BATTLEFIELD, TO ENCOURAGEMENT OF CIVIL DISRUPTION BEGINNING WITH THE WORKFORCE. THERE IS CAUSE FOR CONCERN THAT THE AUTO STRIKE WHICH APPEARED

TO PEAK LAST WEEK IN THE FACE OF STRONG GOVERNMENT COUNTER-MEASURES, COULD REEMERGE SHORTLY AS A RESULT OF THE GOVT'S FAILURE TO ALLEVIATE THE BASIC LABOR PROBLEMS. AS ONE LABOR LEADER DESCRIBED IT, "THE GOVERNMENT MERELY SUCCEEDED IN POURING GASOLINE ON THE FLAMES."

IT WOULD SEEM REASONABLE TO ASSUME THAT THERE IS A REAL OR POTENTIAL GULF SEPARATING THE TOP LEVEL LABOR LEADERS FROM THEIR RANK AND FILE UNION MEMBERS ON ACCOUNT OF THE LEADER-SHIP'S IMPOTENCE TO RESOLVE THE PROBLEMS AFFECTING THE WORKING CLASS UNDER THE RIGID GROUND RULES ESTABLISHED BY THE MILITARY GOVT. A RECENT COLUMN IN BUENOS AIRES'S ENGLISH LANGUAGE NEWSPAPER SYNTHESIZED THE DANGEROUS IMPLICATIONS OF THE PRESENT SITUATION, ALTHOUGH PERHAPS BEING PRECIPITOUS IN ITS CONCLUSION: "THE SORT OF PEOPLE THE GOVT WOULD PROBABLY LIKE TO SEE RUN THE LABOR MOVEMENT--RECONSTRUCTED PERONISTS SUITABLY SERVILE IN THEIR DEALINGS WITH THE MILITARY--HAVE YET TO WIN ANY SPURS. THIS HAS LEFT THE TRADE UNION RANK AND FILE IN A DESPERATE POSITION, WITHOUT ANY LEADERS WHEN THEY NEED THEM MOST, EMBITTERED BY THE TOTAL FAILURE OF THE OLD LABOR BOSSES, STUNNED BY REVELATIONS OF THEIR ASTONISHING CORRUPTION, AND FEARFUL OF THE EXTREME LEFT. WHILE THIS HAS MADE THINGS RELATIVELY EASY FOR THE GOVERNMENT IN ITS EFFORTS TO HANDLE LABOR, IT SPELLS DANGER FOR THE FUTURE BECAUSE IT IS ALLOWING LABOR RESENTMENT TO SEETHE AND BOIL WITHOUT PRO-VIDING ANY OUTLETS FOR IT. THE RESULT OF THIS SORT OF POLICY TENDS TO BE SEVERAL MONTHS OF A FOOL'S PARADISE. WITH EVERY-THING SEEMINGLY HUNKY-DORY IN INDUSTRY, FOLLOWED BY A VIOLENT EXPLOKION. ALL IN ALL, WE ARE RIGHT ON TARGET FOR YET ANOTHER LONG, HOT SUMMER."

6. THE TRADE UNION REFORM BILL: NO ALTERNATIVE TO THE PERONIST LABOR CACIQUES? CURIOUSLY, HOWEVER, NONE OF THE LEADERS OF NONINTERVENED UNIONS CONTACTED OVER THE PAST SEVERAL WEEKS HAS REVEALED MUCH NERVOUSNESS OVER REAL OR POTENTIAL CONFIDENTIAL

# CONFIDENTIAL

PAGE 04 BUENOS 06081 03 OF 04 180845Z

PRESSURES FROM "LAS BASES." TO THE CONTRARY, THEY EXUDE A CERTAIN CONFIDENCE (FALSE BRAVADO?) THAT THE SCENARIO FOR GOVERNMENT NORMALIZATION OF THE TRADE UNION SITUATION IS ON THE TRACKS. THEY MAINTAIN THAT THE ARGENTINE LABOR MOVEMENT IS STILL SOLIDLY PERONIST AND THAT THE GOVERNMENT CANNOT FAIL TO RECOGNIZE PERONISM'S HISTORIC ROLE AS THE NATURAL BARRIER TO COMMUNIST PENETRATION OF THE MOVEMENT. THEY THUS SEE THEMSELVES AS SURVIVING ANY REORGANIZATION THAT COMES ALONG. THE WILDCAT STRIKE IN THE AUTHO INDUSTRY (WHERE THE UNION HAS BEEN INTERVENED AND THE ESTABLISHED LEADERSHIP REMOVED), THEY BELIEVE, IS JUST THE LATEST OBJECT LESSON FOR THE GOVT THAT THE NEO-PERONIST TRADE UNION LEADERS ARE INDISPENSABLE FOR KEEP THE LABOR TROOPS IN LINE. AS ONE

PERONIST LABOR LEADER PUT IT, "THE CHOICE FOR THE GOVT IS BETWEEN THE COMMUNISTS AND US. IT HAS NO OTHER OPTION." THESE LEADERS CONCLUDE THAT THE GOVERNMENT'S PROPOSED TRADE UNION REFORM ACT WILL BE LESS THAN SWEEPING BECAUSE OF A WELL-PLACED FEAR THAT A TOTAL RESTRUCTURING WOULD PROVIDE LEFTIST ACTIVISTS WITH BASES FOR EXPANSION THAT THEY HAVE NEVER BEFORE ENJOYED.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BUENOS 06081 04 OF 04 180846Z

12

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 DHA-02 /071 W ...... 077935

R 171605Z SEP 76 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC 7145 INFO AMEMBASSY SAN JOSE

CONFIDENTIAL SECTION 4 OF 4 BUENOS AIRES 6081

WHAT DISCUSSION THERE HAS BEEN IN THE PRESS SO FAR ON THE SUBJECT OF THE REFORM BILL TENDS TO SUPPORT THEUNION LEADERS' CONTENTION. ACCORDING TO PRESS ACCOUNTS, THERE SEEMS TO BE A GENERAL CONSENSUS AMONG THE LABOR LAW EXPERTS CONSULTED BY THE LABOR MINISTRY IN FAVOR OF THE FOLLOWING PRINCIPLES: (A) CONTINUATION OF THE SOLE LABOR CENTRAL MODEL, I.E. THE CGT; (B) A SOLE UNION FOR EACH INDUSTRY; (C)PROHIBITION AGAINST COMPANY UNIONS; AND (D) OBLIGATORY PAYROLL CHECKOFF BY MANAGEMENT OF UNION DUES. NEVERTHELESS, IT IS GENERALLY ASSUMED THAT THE LEGISLATION WILL BE DESIGNED TO KEEP THE UNIONS OUT OF POLITICS, OR AT LEAST TO MINIMIZE THEIR POLITICAL ROLE AS MUCH AS POSSIBLE; TO BREAK THEIR ECONOMIC POWER THROUGH RIGOROUS GOVERNMENT CONTROL OF ALL UNION FUNDS. PERHAPS EVEN DIVESTING THE UNIONS OF SOME OF THEIR SOCIAL PROJECT FUNCTIONS AND TRANSFERRING THESE PROGRAMS TO STATE ADMINISTRATION; AND TO PERMEANENTLY ELIMINATE THE TRADITIONAL TRADE UNION IMMUNITY FROM CRIMINAL PRESECUTION.

7. THE PERONISTS AND COLLEGIATE MILITARY POWER. LEADERS OF

THE SMALLER NONINTERVENED UNIONS WHO HAVE BEEN BARGAINING WITH THE MILITARY SINCE BEFORE THE GOLPE--NEO-PERONISTS AND "INDEPEND-ENTS" ALIKE--ARE AGAINS MAKING PREDICTIONS CONCERNING A RETURN TO GREATER TRADE UNION NORMALITY. BALDASSINI, FOR EXAMPLE, ASSERTS THERE ARE GROUNDS FOR OPTIMISM THAT THE NEW LEY DE ASOCIACIONES PROFESIONALES WILL BE OUT BEFORE THE END OF THE YEAR AND THAT CONFIDENTIAL.

#### CONFIDENTIAL

PAGE 02 BUENOS 06081 04 OF 04 180846Z

THE TRADE UNION REORGANIZATION (INCLUDING ELECTIONS) WILL TAKE PLACE BEFORE JUNE 1977, I.E. BEFORE THE NEXT ANNUAL ILO CONFERENCE. OTHERS CLAIM THEY SEE SUBSTANTIAL NORMALIZATION WITHIN 60 DAYS. WHILE TO THE INDPENDENT OBSERVER IT WOULD APPEAR THAT THE MILITARY HAVE NOT LIVED UP TO WHAT IS PRESUMED TO HAVE BEEN THEIR PART OF BOTH PRE-GOLPE AND POST-GOLPE UNDERSTANDINGS WITH THE LABOR MOVEMENT, THESE LABOR LEADERS WILL NOT ADMIT TO HAVING BEEN HOODWINKED. THEY PERCEIVE THE VIDELA GOVERNMENT'S DELAY IN INITIATING THE NORMALIZATION PROCESS, IN THE GENERAL POLITICAL ARENA AS WELL AS ON THE MORE NARROW TRADE UNION SCENE, TO BE A CONSEQUENCE OF COUNTER-VAILING PRESSURES FROM HARDLINE ANNI-PERONIST, ANTI-LABOR ELEMENTS IN THE MILITARY, CENTERED IN THE NAVY. FOR THESE LABOR LEADRS. THE MILITARY JUNTA IS A COLLEGIATE BODY REPRESENTING INHERENTLY CONTRADICTORY POINTS OF VIEW. THEY REGARD ECONOMY MINISTER MARTINEZ DE HOZ' POLICY OF HOLDING THE LINE ON WAGES BUT FREEING PRICES AS AN EXPRESSION WITHIN THE CURRENT GOVERNMENT OF THE TRADITIONALLY ANTI-POPULIST LANDHOLDING AND MILITARY ELITE. PERHAPS IGNORING THE CRITICISM OF MARTINEZ DE HOZ FROM THOSE MORE CONSERVATIVE WHO ALLEGE THAT HE HAS NOT BEEN TOUGH ENOUGH IN HIS AUSTERITY PROGRAM. THE HARDLINERS ARE BLAMED FOR THE GOVERNMENT'S FAILURE TO FULFILL ITS PROMISE TO RELEASE THE NAMES OF ALL THE TRADE UNION LEADERS HELD PRISONER. EVEN VIDELA CAN'T FIND OUT, THE LABOR LEADERS ASSERT. THEY EVEN WOULD HAVE US BELIEVE THAT CGT INTERVENTOR COLONEL PITA WAS REMOVED FROM THE SCENE BACK IN MAY NOT BY LEFTIST TERRORISTS BUT BY THE MILITARY HARDLINE--AS A MANIFESTATION OF ITS DISPLEASURE OVER THE PROSPECT OF THE ARGENTINE WORKERS' FIELDING A DELEGATION TO GENEVA. WERE THESE ELEMENTS TO GAIN THE UPPER HAND TOTALLY, IT IS FEARED, THE RESULT WOULD BE A PINOCHET-LIKE GOVERNMENT AND POSSIBLY TOTAL DESTRUCTION OF THE LABOR MOVEMENT. ON THE OTHER HAND. ARMY CHIEF OF STAFF VIOLA AND LABOR MINISTER (GENERAL) LIENDO ARE LOOKED UPON AS WANTING TO REACH A MODUS VIVENDI WITH THE LABOR MOVEMENT. SOME LABOR LEADERS COME CLOSE TO DESCRIBING THESE OFFICERS AS ALLIES OF THE PEOPLE AGAINST THE MILITARY HARDLINERS. AS LONG AS NEITHER ONE SIDE NOR THE OTHER IS FIRMLY IN THE SADDLE, THE LABOR LEADERS HAVE ACCEPTED THAT THERE WILL BE NO LABOR OPENING. NOT THAT THEY SEEM TO HAVE ANY DOUBT ABOUT THE FINAL OUTCOME OF THE ISSUE. THE MILITARY MODERATES HAVE BEEN SEEN AS BEING ULTIMATELY VICTORIOUS NOT CONFIDENTIAL

#### CONFIDENTIAL

PAGE 03 BUENOS 06081 04 OF 04 180846Z

ONLY BECAUSE THEY REFLECT THE OVERWHELMING MAJORITY IN THE ARMED FORCES, BUT ALSO BECAUSE THEY ARE CLOSER TO THE PEOPLE. MOREOVER, THE FACT THAT THE LABOR LEADERS ARE AGAIN TALKING IN TERMS OF TIMETABLES FOR THE RESTORATION OF TRADE UNION LIBERTIES SUGGESTS THAT THEY BELIEVE THAT A FAVORABLE RESOLUTON OF THE ULTIMATE OUESTION OF POWER IS IMMINENT.

8. COMMENTS. WHILE WE WOULD NOT QUARREL WITH THE CENTRAL LOGIC OF THE PERONISTA UNION LEADERS' ANALYSIS, WE ARE NOT SURE THAT THE MODERATE MILITARY SEE THE SITUATION EXACTLY IN THE SAME LIGHT. CERTAINLY, THE EMBASSY RESERESERVES JUDGMENT CONCERNING THE UNION LEADERS' RATHER OPTIMISTIC TIMETABLE. UNTIL THE GOA IS CONSIDERABLY FURTHER ALONG THE ROAD TOWARD ECONOMIC RECOVERY, IT SEEMS DOUBTFUL THAT THERE WILL BE ANY PLACE IN MARTINEZ DE HOZ' AUSTERITY PROGRAM FOR A FULL FLEDGED AND OPERATING LABOR MOVEMENT. A CRITICAL VARIABLE, OF COURSE, WILL BE WHETHER THERE IS GOING TO BE A "LONG, HOT SUMMER", AS THE HERALD'S" COLUMNIST PUT IT, AND WHETHER THE GOVT SEES THE NEOPERONIST LABOR LEADERSHIP AS CAPABLE OF KEEPING THE LID ON RANK AND FILE REVOLT.

AN IMPORTANT POINT TO NOTE IS THAT THERE IS NO TOWERING FIGURE ON THE ARGENTINE LABOR SCENE TODAY TO LEAD THE FLOCK OUT OF THE WILDERNESS. THE GOVT APPEARS TO BE GROOMING THE LEADERS OF THE SMALLER NONINTERVENED UNIONS AS A COUNTERBALANCE TO THE TRADITIONALLY HEAVYWEIGHT ORGANIZATIONS WITHIN A REORGANIZED CGT. HOWEVER, THE MORE POWERFUL INDUSTRIAL UNIONS, WHICH ARE ALL INTERVENED AT THE MOMENT. HAVE NOT HAD THEIR SAY IN THIS MATTER YET. IN THE MEANTIME, THE GOVT CONTINUES TO LODGE CHARGES OF CORRUPTION, MALFEASANCE IN OFFICE, ETC., AGAINST LABOR LEADERS, INCLUDING SOME WHO COULD PLAY AN IMPORTANT ROLE IN THE REORGANIZATION OF A MODERATE. DEMOCRATICALLY-ORIENTED ARGENTINE LABOR MOVEMENT. A SALIENT CASE IS THAT OF FORMER LUZ Y FUERZA LEADER JUAN JOSE TACCONE, WHO HAS BEEN ACCUSED OF MISHANDLING FUNDS WHILE PRESIDENT OF THE BUENOS AIRES PUBLIC ELECTRIC POWER UTILITY, SEGBA, DURING THE PERONIST REGIME. TACCONE HAS LONG BEEN CONSIDERED BY MANY OBSERVERS TO BE AMONG THE CLEANEST AND MOST CAPABLE OF THE ARGENTINE LABOR LEADERS. ACCORDING TO TRADE UNION SOURCES. HE RAN A TIGHT SHIP WHILE AT THE HELM OF SEGBA IN TERMS OF NOT PERMITTING ANY HANKY-PANKY BY THE WORKERS, BUT HE IS PRO-CONFIDENTIAL

# CONFIDENTIAL

PAGE 04 BUENOS 06081 04 OF 04 180846Z

BABLY ANATHEMA TO THE CURRENT REGIME BECAUSE HE HAS BEEN A LEADING PROPONENT OF WORKER COPARTICIPATION IN STATE

ENTERPRISE AND EMPHASIZED SOCIAL PROGRAMS WHILE PRESIDENT OF SEGBA. HILL	
CONFIDENTIAL	
NNN	

# Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: LABOR UNIONS, REORGANIZATIONS

Control Number: n/a Copy: SINGLE Draft Date: 17 SEP 1976 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BUENOS06081

Document Number: 1976BUENOS06081
Document Source: CORE
Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS Errors: N/A

Film Number: D760353-0226 From: BUENOS AIRES Handling Restrictions: n/a

Image Path:

Legacy Key: link1976/newtext/t19760950/aaaabqtk.tel

Line Count: 658

Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION ARA Original Classification: CONFIDENTIAL Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 12

Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL

Previous Handling Restrictions: n/a
Reference: 76 BUENOS AIRES 3567, 76 BUENOS AIRES 3337, 76 BUENOS AIRES 3061, 76 BUENOS AIRES 2951, 76 BUENOS AIRES 2832

Review Action: RELEASED, APPROVED Review Authority: saccheem

Review Comment: n/a Review Content Flags: Review Date: 12 MAY 2004

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <12 MAY 2004 by greeneet>; APPROVED <09 SEP 2004 by saccheem>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MÁY 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: GOA AND TRADE UNION REORGANIZATION TAGS: ELAB, PINT, AR To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006